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August 18, 2016

Executive Secretary  
Iowa Utilities Board  
1375 East Court Avenue, Room 69  
Des Moines, IA 50319-0069

RE: Interstate Power and Light Company  
Docket No. RMU-2016-0006  
Comments on Proposed Rule Changes – 199 IAC Chapter 15

Dear Executive Secretary:

Pursuant to the Order Requesting Stakeholder Comment on Proposed Rule Changes issued on July 19, 2016 in the docket noted above, enclosed please find Interstate Power and Light Company's comments on 199 IAC Chapter 15, as filed today on EFS.

Very truly yours,

/s/ Samantha C. Norris  
Samantha C. Norris  
Senior Attorney

SCN/tab  
Enclosures

**STATE OF IOWA**  
**BEFORE THE IOWA UTILITIES BOARD**

<b>IN RE:</b>  <b>REVIEW OF COGENERATION AND SMALL POWER PRODUCTION RULES [199 IAC CHAPTER 15]</b>	<b>DOCKET NO. RMU-2016-0006</b>
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**IPL COMMENT ON PROPOSED RULE CHANGES – CHAPTER 15**

Interstate Power and Light Company (IPL), by and through undersigned counsel, and in reply to the Order Requesting Stakeholder Comment on Proposed Rule Change issued by the Iowa Utilities Board (Board) in this docket on July 19, 2016 offering that interested persons could file comments on the revision of Chapter 15 of the 199 Iowa Administrative Code (IAC) regarding Cogeneration and Small Power Production, submits the following comments.

**SUMMARY**

IPL does not object to the Board's proposed changes to the following sections:

- Applicability. 199 IAC 15.2(1)
- Information to board. 199 IAC 15.3
- Additional services to be provided to qualifying facilities and AEP facilities by rate-regulated electric utilities. 199 IAC 15.7
- Interconnection costs. 199 IAC 15.8
- System emergencies. 199 IAC 15.9

- Rates for sales to qualifying alternate energy production and small hydro facilities by rate-regulated utilities. 199 IAC 15.13
- Additional services to be provided to qualifying alternate energy production and small hydro facilities. 199 IAC 15.14
- Interconnection costs. 199 IAC 15.15
- System emergencies. 199 IAC 15.16
- Small wind innovation zones. 199 IAC 15.22

The Board requested input on the necessity of requiring all rate-regulated utilities to provide seasonal differential and time of day rates in their tariffs. IPL's Cogeneration and Small Power Production (CSPP) tariff sufficiently reflects seasonal and time-of-day differentials, therefore, no additional requirements are necessary.

IPL suggests additional redline changes to the following sections and also provides some commentary for the Board's consideration within these sections:

**Definitions. 199 IAC 15.1**

Affected system

IPL proposes the inclusion of the definition of "affected system" in 199 IAC 45 in this chapter to promote alignment and clarity.

Backup power

IPL proposes to edit an existing definition, for "backup power," to reflect all representative uses of backup power. IPL proposes the following definition:

*"Backup power" means electric energy or capacity supplied by an electric utility to qualifying facilities and AEP facilities to replace energy ordinarily*

*generated by a facility's own generation equipment during an ~~unscheduled~~ outage of the facility.*

#### Disconnection device

IPL proposes the inclusion of the following language to reflect the fact that breakers often cannot be installed adjacent to meters and sometimes cannot provide a lockable visual disconnect:

*"Disconnection device" means a lockable visual disconnect or other disconnection device, such as, but not limited to a service disconnect, or gang operated main disconnect, capable of disconnecting and de-energizing the residual voltage in a distributed generation facility.*

#### Distributed generation facility

IPL proposes to add a new definition, for "distributed generation facility," to provide alignment with Chapter 199 IAC 45. IPL proposes the following definition:

*"Distributed generation facility" means a qualifying facility or an AEP facility.*

#### Electric utility

The Board may wish to update this definition based on the Iowa Supreme Court's Decision No. 13–0642 regarding Eagle Point Solar.

#### System emergency

IPL proposes to edit an existing definition, for "system emergency," to include the impact to utility and affected systems:

*"System emergency" means a condition on a utility's system which is likely to result in imminent significant disruption of service to customers or is*

*imminently likely to endanger life or property on a utility's system or an affected system.*

**Rate-regulated electric utility obligations under this chapter regarding qualifying facilities. 199 IAC 15.4**

- IPL concurs with the Board's proposed changes to this section.
- In addition, IPL proposes to add the following underlined words to 199 IAC 15.4(1) to better align with FERC regulations:

*Obligation to purchase from qualifying facilities. Consistent with 18 C.F.R. 292.309, each electric utility shall purchase, in accordance with these rules, any energy and capacity which is made available from a qualifying facility.*

- IPL also proposes the removal of the following stricken language in 199 IAC 15.4(4) to reflect that transmission charges are managed by qualifying facilities and in accordance with MISO rules:

*The rate for purchase by the electric utility to which the energy is transmitted shall be adjusted up or down to reflect line losses ~~and shall not include any charges for transmission.~~*

**Rates for purchases from qualifying facilities by rate-regulated electric utilities. 199 IAC 15.5**

- IPL concurs with the Board's proposed changes to this section.
- In addition, IPL proposes the following language in 199 IAC 15.5(4) for purposes of clarity:

*Other purchases. Rates for purchases from qualifying facilities with a design capacity of greater than 100 kW ~~lowatts~~ shall not exceed the rate-*

*regulated electric utility's avoided cost. The rates shall be determined in contested case proceedings before the board, unless the rates are otherwise agreed upon by the qualifying facility and the rate-regulated electric utility involved. To the extent, the rate-regulated electric utility's avoided cost materially changes since its most recent informational avoided cost filing with the Board, the rate-regulated electric utility shall not be obliged to pay more than the then-representative avoided cost.*

- IPL also proposes the following language in 199 IAC 15.5(6) to further align with PURPA and reflect additional considerations important to the valuation of distribution:

*a. The prevailing wholesale market rates for energy or capacity or both energy that are qualified to satisfy resource adequacy obligations on any interstate power grid with which the utility is interconnected.*

*b. The incremental energy costs or capacity costs of the utility itself or wholesale market ~~utilities~~ rate in the interstate power grid with which the utility is interconnected, including consideration for locational value and a correlation of system output and peak load.*

**Rates for sales to qualifying facilities and AEP facilities by rate-regulated utilities. 199 IAC 15.6**

- IPL concurs with the Board's proposed changes to this section.

**Standards for interconnection, safety, and operating reliability. 199 IAC 15.10**

IPL concurs with the Board's proposed changes to this section with the exception of the following suggested additional language which is proposed to provide additional clarity on and access to testing results:

*15.10(5) Inspections and testing. The operator of the qualifying facility or AEP facility shall adopt a program of inspection and testing of the generator and its appurtenances and the interconnection facilities in order to determine necessity for replacement and repair. Such a program should include all periodic tests and maintenance prescribed by the manufacturer; however, if the periodic testing of interconnection-related protective functions is greater than five years or not specified by the manufacturer, it should occur at least every five years. The operator, upon electric utility request, shall provide all test reports to the electric utility documenting the existing settings as well as the "as found" and "as left" test results. All interconnection-related protective functions shall be periodically tested and a system that depends upon battery for trip power shall be checked and logged. Complete maintenance records shall be maintained by the operator and be made available upon request by the electric utility. Representatives of the electric utility shall have access at all reasonable hours to the interconnection equipment specified in subrule 15.10(3) for inspection and testing with reasonable prior notice to the applicant. If the electric utility discovers the applicant's facility is not in compliance with the requirements of IEEE Standard 1547, or any part of the foregoing, and the noncompliance adversely affects the safety or reliability of*

*the electrical system, the electric utility may require disconnection of the applicant's facility until it complies with this chapter.*

- In addition, IPL proposes the addition of the following section, which aids in enforcement of testing requirements and helps the electric utility protect its assets:

*15.10(7) Notifications. An interconnection customer failing to comply with the foregoing requirements may be disconnected as provided in 199 IAC 20. The disconnection process details shall be provided in individual electric utility tariffs or the interconnection agreement.*

**Additional rate-regulated utility obligations regarding AEP facilities. 199 IAC 15.11**

- IPL concurs with the Board's proposed changes to this section.
- In addition, IPL proposes the following additional language to 199 IAC 15.11(5) to reflect the use of bi-directional metering and advanced metering capabilities:

*Each utility shall offer to operate in parallel through net metering (with a single meter or bi-directional meter monitoring ~~only~~ the net amount of kWh electricity sold or purchased) with an AEP facility, provided that the facility complies with any applicable standards established in accordance with these rules.*

**Electric utility annual reporting requirement regarding AEP facilities. 199 IAC 15.12**

- IPL concurs with the Board's proposed changes to this section.



**Alternate energy purchase programs. 199 IAC 15.17**

- IPL concurs with the Board's proposed changes to this section.
- IPL also proposes the addition of the following language in 199 IAC 15.17(5) to allow for electronic publication of fuel reporting:

*Each electric utility subject to rate regulation by the board, excluding utilities that elect rate regulation pursuant to Iowa Code section 476.1A, shall annually report, either in print or by making publicly available online, to all its Iowa customers its percentage mix of fuel and energy inputs used to produce electricity.*

**Tax Credit Programs under Iowa Code Chapters 476B and 476 C.**

- **Certification of eligibility for wind energy tax credits under Iowa Code chapter 476B.**
- **Certification of eligibility for wind energy and renewable energy tax credits under Iowa Code chapter 476C.**
- **Applications for wind energy tax credits under Iowa Code chapter 476B.**
- **Applications for renewable energy tax credits under Iowa Code chapter 476C.**

IPL believes the Board's proposed changes for these sections appropriately ensure that the IAC accurately implements the intent of the Iowa Legislature in adopting Chapters 476B and 476C of the Iowa Code.

## **CONCLUSION**

IPL appreciates the Board's and the Board Staff's efforts in amending these rules for ease and clarity. IPL submits these Comments on the proposed rules in order to aid the Board in addressing any additional areas that may need refining and to promote clarification of certain provisions to support timely and accurate implementation and compliance.

**WHEREFORE**, Interstate Power and Light Company respectfully requests that the Iowa Utilities Board give due consideration to IPL's Comments regarding the proposed gas and electric line extension rules.

DATED this 18<sup>th</sup> day of August, 2016.

Respectfully submitted,

**INTERSTATE POWER AND LIGHT  
COMPANY**

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